

# MANUFACTURING EXTENSION PARTNERSHIP

## Success Stories from the Field

### Cholestech Corp

#### Corporation for Manufacturing Excellence (Manex)

#### Cholestech Corporation Changes Its Corporate Culture

##### Client Profile:

Cholestech Corporation is a provider of diagnostic tools and information for immediate risk assessment and therapeutic monitoring of heart disease and diabetes. Cholestech offers testing for cholesterol and related lipids, blood glucose and glycemic control, and liver function at the point of care. Located in Hayward, California, the company's 200 employees manufacture and market diagnostic tools to health care practitioners in over 35 countries.

##### Situation:

As Cholestech's diagnostic solution gained recognition throughout the medical device industry, rapid growth and product acceptance created challenges for the company. Increased demand called for an investment of capital to build a mainstream production line that could meet the needs of an ever-burgeoning consumption community.

Culturally, Cholestech was also at a crossroads. While the company had operated under a culture of Management By Objectives (MBO) in its developmental years, it was now necessary to develop a teaming environment in order to fulfill its strategic needs and maximize intellectual assets. With increasing production demands, management needed to develop a collective process to monitor growth and profitability while keeping the company strategically focused. The company contacted the Corporation for Manufacturing Excellence (Manex), a NIST MEP network affiliate, for help.

##### Solution:

Manex designed a training program to help Cholestech's management team develop a strategic plan. The plan focused on four key initiatives: revenue growth, development of good manufacturing processes (GMP) and continuous process improvement (CPI), corporate culture, and increased shareholder value. With Manex's guidance, Cholestech's leaders redefined the MBO model. They also formed a Senior Management Council to encourage interdepartmental communication and address the broader needs of a growing company.

Next, Cholestech created a project management team, and Manex provided the tools to help monitor and implement the new strategic plan. To reinforce the highest levels of quality in production, Manex trained every Cholestech associate in GMP, and production associates completed a ten-week training program specifically dedicated to CPI.

##### Results:

- \* Productivity increased by 40 percent to catch up with demand.
- \* Achieved a 25 to 30 percent increase in quality throughput.
- \* Increased sales by 15 percent.
- \* Brought product into compliance with ISO and FDA regulations.

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- \* Implemented sound quality processes.

**Testimonial:**

"[Working with the Corporation for Manufacturing Excellence] was a good experience; it has clearly made the company better."

Warren Pinckert, President and CEO